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Press Release

CIC Insurance Group Plc 2023 Half-year Performance

CIC Insurance Group Plc is pleased to release our 2023 half year results based on the new IFRS 17 reporting standards. The IFRS 17 standard provides consistent principles for all aspects of accounting for insurance contracts.

The Group has reported a **Profit Before Tax of Kshs 1.2 Billion** as at June 2023 compared the restated **profit before tax of Kshs 472 Million** same period in 2022 representing a growth of 153%. Overall insurance revenue grew by 20% compared to restated prior period, with all the Kenya and regional subsidiaries recording growth in insurance revenue. The Group insurance revenue contributed by the Kenya subsidiaries recorded a 21% growth in the period.

The remarkable performance was driven by continued execution of our 2021-2025 strategy underpinned by key transformational initiatives focusing on customer experience, digital transformation, data analytics, performance management, operational efficiency, research and innovation and debt management among others

Key Highlights

- The Group's insurance revenue grew by 20% from Kshs 10.7 Billion in June 2022 to Kshs 12.9 Billion in June 2023.
- Profit After Tax grew by 168% to Kshs 705 Million in June 2023 compared to Kshs 263 Million recorded in June 2022.
- The insurance service results grew by 93% from Kshs 446 Million to Kshs 862 Million on account of the insurance revenue growth.
- The Interest revenue grew by 21% from Kshs 975 Million to Kshs 1.2 Billion.

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- The other operating expenses declined by 3% from Kshs. 704 Million recorded in June 2022 to Kshs 684 Million mainly due to prudent cost management. This comprises the non-attributable expenses incurred by the Group.
- The Groups total Assets increased from Kshs 45.3 Billion in December 2022 to Kshs 50.6 Billion a 12% growth.
- The Assets Under Management grew from Kshs 104 Billion in June 2022 to Kshs 138.5 Billion a 33% growth.

Kenya Subsidiaries

- **General Insurance Business;** Insurance revenue grew by 21% to Kshs 7 Billion in June 2023 from Kshs 6 Billion recorded in 2022 attributable to business growth, prudent underwriting and enhanced process efficiency.
- **CIC Life Assurance;** Insurance revenue grew by 23% from Kshs. 3.5 Billion recorded in June 2022 to Kshs 4.3 Billion in June 2023. owing to strong focus on prudent underwriting and business growth across all the Life business lines.
- **CIC Asset Management;** Assets Under Management grew from Kshs. 104 Billion in June 2022 to Kshs. 138.5 Billion in June 2023 representing a 33% growth. The Profit Before Tax in June 2023 increased by 33% to Kshs. 334 Million compared to Kshs. 274 Million reported in June 2022. The Company continues to lead the Unit trust business out of an industry of 36 licensed players with a market share of 34.7% as at March 2023. The Assets under management for our money market fund grew by Kshs 1 Billion from Kshs 55. 9 Billion in June 2022 to Kshs 56.9 Billion in June 2023.

Regional Subsidiaries

The performance of regional subsidiaries has continued to improve with a contribution of 10% to the Insurance revenue of the Group during the period. CIC Uganda insurance revenue grew by 3% while CIC South Sudan grew by 47% and CIC Malawi grew by 3%.

Outlook

The Group will continue with the implementation of the Group's strategic initiatives aimed at transformation of our business to deliver best value to our shareholders, customers and other stakeholders.

Customer experience and operational efficiency is central to our business strategy as we strive to implement various initiatives that will drive seamless service delivery to our customers. Digital transformation will be a crucial pillar within the Group's strategy with a view to provide seamless end-to-end customer experience enabled by emerging technologies. To maintain the growth trajectory CIC will continue investing in technology to strengthen performance and achieve customer retention in the long term. We will remain resolute to implementation of our other various strategies including research and innovation, debt management, cost optimization, risk, compliance, Environmental, Social and Governance (ESG) integration among others.

We are keen on driving our micro-insurance strategy in recognition of the importance this sector has in widening access to financial services. The sale of our Kiambu land which was launched in November 2022 has progressed well and we project to close phase 1 by close of the year even as we pursue sale of the other phases to optimize our balance sheet.

Conclusion

Looking ahead we will remain focused on delivering on business growth and profitability through partnering with all our stakeholders while at the same time progressively building a socially responsible and sustainable business.



PATRICK NYAGA
GROUP CHIEF EXECUTIVE OFFICER
25th August 2023